

## Joint Standing Committee on Labor

**LD 174**                      **An Act to Increase Health Insurance Benefits for Retired Educators**                      **INDEF PP**

<u>Sponsor(s)</u> LEMAIRE NUTTING	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u>
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LD 174 which was considered by the Labor Committee last session, carried over from the First Session by the Appropriations Committee and rereferred to the Labor Committee this year, proposed to increase the State's contribution for the cost of health insurance premiums for retired educators from 25 percent to 30 percent. Again, this year the bill was reported out of the Labor Committee with a divided report, enacted in the House and engrossed and sent to the Special Appropriations Table in the Senate. From there the bill was folded into LD 1950, the Governor's Supplemental Budget bill (see PL 1997, chapter 643, Part OO), and this bill was then indefinitely postponed.

**LD 196**                      **An Act to Require the State to Pay Medicare Costs for Retired State Employees and Retired Teachers**                      **ONTP**

<u>Sponsor(s)</u> HATCH	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 196 proposed to require the state to pay Medicare Part B premiums for state retirees and retired teachers who are Medicare eligible.

**LD 300**                      **An Act to Prohibit an Employer from Hiring Replacement Workers during a Strike**                      **ONTP**

<u>Sponsor(s)</u> SAMSON CATHCART	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 300 was carried over from the First Session and proposed to prohibit an employer from hiring replacement workers during a labor dispute, strike or lockout. The bill also proposed to repeal the provision of current law that makes it a Class D crime for a person involved in a labor dispute, strike or lockout to be armed with a dangerous weapon at a site where an employer involved in a labor dispute, strike or lockout is accepting applications from, conducting interviews of or performing medical examinations of potential employees.

**LD 568**

**An Act to Implement the Recommendations of the Commission to  
Study Poverty Among Working Parents with Regard to Raising the  
Minimum Wage**

**VETO  
SUSTAINED**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POVICH	OTP-AM      MAJ ONTP        MIN	

LD 568 was carried over from the First Session and proposed to establish a new state minimum wage that is 25 cents per hour more than the federal minimum wage. The bill also proposed an annual adjustment in the state minimum wage, based on the increase in the state average weekly wage.

**Committee Amendment "A" (H-829)** was the majority report of the Joint Standing Committee on Labor and proposed to replace the bill. The amendment proposed to establish a minimum wage of \$5.40 per hour, beginning January 1, 1999, and to maintain the current requirement that the state minimum wage be at least as high as the federal minimum wage. The amendment also proposed to add an appropriation and a fiscal note to the bill.

**LD 633**

**An Act to Provide a Cost-of-living Adjustment to Minimum Wage  
Earners**

**INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SHIAH CATHCART	OTP-AM      MAJ ONTP        MIN	

LD 633 was carried over from the First Session and proposed to increase the state's minimum wage each year by the amount of the percent increase in the Consumer Price Index.

**Committee Amendment "A" (H-828)** was the majority report of the Joint Standing Committee on Labor and was not adopted. The amendment proposed to establish a minimum wage of \$5.40 beginning January 1, 1999. The amendment also proposed to automatically increase the state minimum wage every three years thereafter, by the cumulative increase in the Consumer Price Index over the three previous Septembers.

**LD 688**

**An Act to Increase Maine's Minimum Wage**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VOLENIK RAND	ONTP	

LD 688 was carried over from the First Session. The bill proposed to raise the state minimum wage to \$5.60 per hour effective January 1, 1998 and to \$6.05 per hour effective January 1, 1999. The bill also proposed to maintain the current requirement that the state minimum wage be at least as high as the federal minimum wage.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WINSOR	OTP-AM      MAJ ONTP        MIN	H-814

LD 835 was carried over from the First Session. The resolve proposed to direct the Workers' Compensation Board to study the unique issues involved in providing workers' compensation benefits to employees under the Occupational Disease Law and to make recommendations for ensuring that the purposes of the Workers' Compensation Act of 1992 are achieved with respect to occupational diseases. The specific issues proposed to be studied included proof of causation when the occupational disease is thought to arise from exposure to hazardous materials, long latency periods, the apportionment of liability and the handling of benefits when the employee has not lost any work time. The resolve also proposed to require the board to report to the Legislature by January 1, 1999, with a discussion of the issues studied, approaches for handling any problems identified, recommendations and any necessary implementing legislation.

**Committee Amendment "A" (H-814)** proposed to require the Bureau of Health, the Bureau of Insurance and the Bureau of Labor Standards to participate in the occupational disease study with the Workers' Compensation Board. It proposed to require the groups to recommend a definition for occupational disease and to recommend a means of tracking occupational disease data. The amendment proposed to change the reporting date from January 1, 1999 to January 15, 1999. The amendment also proposed to add a fiscal note to the bill.

#### ***Enacted law summary***

Resolve 1997, chapter 94 requires the Workers' Compensation Board, the Bureau of Health, the Bureau of Insurance and the Bureau of Labor Standards to study the unique issues involved in providing workers' compensation benefits to employees under the Occupational Disease Law and to make recommendations for ensuring that the purposes of the Workers' Compensation Act of 1992 are achieved with respect to occupational diseases. The issues to be studied must include proof of causation when the occupational disease is thought to arise from exposure to hazardous materials, long latency periods, the apportionment of liability and the handling of benefits when the employee has not lost any work time. The groups must report to the Legislature by January 15, 1999, with a discussion of the issues studied, approaches for handling any problems identified, recommendations, including a recommended definition for occupational disease and a recommended means of tracking occupational disease data, and any necessary implementing legislation.

<b>LD 999</b>	<b>RESOLUTION, Proposing an Amendment to the Constitution of Maine to Establish a Contractual Obligation for Members of the Maine State Retirement System</b>	<b>DIED BETWEEN BODIES</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HATCH	OTP      MAJ	
CATHCART	ONTP     MIN	

LD 999 proposed to amend the Constitution of Maine to establish a contractual relationship between the State and teachers and state employees for pension benefits that may not be diminished or impaired. Pension benefits could be reduced only for teachers or state employees hired after the effective date of a law diminishing benefits. See also LD 1962 which proposed statutory protection for public pension benefits.

<b>LD 1100</b>	<b>An Act to Amend the Laws Relating to Vesting in the Maine State Retirement System</b>	<b>DIED ON ADJOURNMENT</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HATCH	OTP-AM    MAJ	
	ONTP       MIN	

LD 1100 which was carried over from the First Session, proposed to lower the vesting period from 10 to five years for state employees, teachers and Legislators.

**Committee Amendment "A" (H-1092)** replaced the bill and was enacted in the House but died on adjournment in the Senate. Effective January 1, 1999, the amendment proposed to lower from 10 to five years the amount of creditable service needed by state employees, teachers, judges and Legislators who are not in service at the time of retirement to be eligible to receive service retirement benefits at the applicable normal retirement age. This amendment also would have added an appropriation, an allocation and a fiscal note to the bill.

<b>LD 1192</b>	<b>An Act to Provide Adjustments to Accommodate Increases in the Cost of Living for Injured Workers</b>	<b>VETO SUSTAINED</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAMSON	OTP-AM    MAJ	
	ONTP       MIN	

LD 1192 was carried over from the First Session. The bill proposed an annual adjustment to workers' compensation benefits for both total and partial disability, so that benefits would keep pace with cost-of-living increases.

**Committee Amendment "A" (H-1005)** was the majority report of the Joint Standing Committee on Labor and proposed to replace the bill. The amendment proposed to provide annual cost-of-living adjustments to workers' compensation benefits, based on the state average weekly wage, for employees who were injured on or after January

1, 1993, experienced total incapacity or partial incapacity that met certain statutory thresholds and had reached the sixth anniversary of the injury.

**Senate Amendment "A" to Committee Amendment "A" (S-639)** proposed to cap the annual cost-of-living adjustment at three percent per year.

**LD 1318**

**An Act to Clarify the Application of Law in Workers' Compensation Cases**

**PUBLIC 647**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HATCH	OTP-AM	H-907

LD 1318 was carried over from the First Session. The bill proposed to permit an employee to seek restoration of workers' compensation benefits if the Workers' Compensation Board determines that the effects of a compensable injury have ended and the employee obtains medical information that was not previously known to the parties or litigated before the board.

**Committee Amendment "A" (H-907)** was the majority report of the Joint Standing Committee on Labor and proposed to replace the bill and change the title. It proposed to overrule the Maine Supreme Judicial Court's decisions in *Ray v. Carland Construction, Inc.* and *Pelletier v. Maine Medical Center*, 703 A.2d 648 (Me. 1997), in which the court ignored the legislative directive in Public Law 1991, chapter 885, Part A, section 10 prohibiting retroactive application of the Workers' Compensation Act of 1992. The amendment proposed to affirmatively state that if an employee suffers a work-related injury that aggravates a prior work-related injury, the portion of the resulting disability that is attributable to the prior injury is governed by the law in effect at the time of that injury.

***Enacted law summary***

Public Law 1997, chapter 647 overrules the Maine Supreme Judicial Court's decisions in *Ray v. Carland Construction, Inc.* and *Pelletier v. Maine Medical Center*, 703 A.2d 648 (Me. 1997), in which the court ignored the legislative directive in Public Law 1991, chapter 885, Part A, section 10 prohibiting retroactive application of the Workers' Compensation Act of 1992. The law states that if an employee suffers a work-related injury that aggravates a prior work-related injury, the portion of the resulting disability that is attributable to the prior injury is governed by the law in effect at the time of that injury.

**LD 1370**

**Resolve, to Create Pension Portability for State and Local Government**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAXL M DAGGETT	ONTP	

LD 1370 was carried over from the First Session and proposed to establish a commission to study pension portability for public sector employees.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WRIGHT	OTP-AM MAJ	H-804
LAWRENCE	ONTP MIN	S-475 CATHCART
		S-772 MICHAUD

LD 1454 was considered by the Labor Committee in the First Session, carried over from the First Session by the Appropriations Committee, and rereferred to the Labor Committee this year. The bill proposed to require that workers employed in the construction of public works be given at least the prevailing rate of benefits given for work of a similar nature performed in the state, in addition to the current requirement that they be paid at least the prevailing hourly rate of wages. The bill proposed to require the Bureau of Labor Standards to determine prevailing wages and benefits in September 1997, at which time they would become effective. This bill also proposed to give the Office of the Attorney General jurisdiction to investigate and enforce violations of the wage and benefits provisions.

**Committee Amendment "B" (H-804)** was the majority report of the Joint Standing Committee on Labor and proposed to eliminate the requirement that the Office of the Attorney General investigate violations of the wage and benefit provisions in Maine Revised Statutes, Title 26, chapter 15. Under current law, the Department of Labor, Bureau of Labor Standards is responsible for investigations, and the Office of the Attorney General is responsible for bringing enforcement actions. The amendment also proposed to add an appropriation and a fiscal note to the bill.

**Senate Amendment "A" to Committee Amendment "B" (S-475)** proposed to remove the appropriation section.

**Senate Amendment "A" (S-772)** proposed to change the date the Bureau of Labor Standards must determine from September 1997 to September 1999.

#### *Enacted law summary*

Public Law 1997, chapter 757 requires workers employed in the construction of public works to be given at least the prevailing rate of benefits given for work of a similar nature performed in the state, in addition to the current requirement that they be paid at least the prevailing hourly rate of wages. The law requires the Bureau of Labor Standards to determine the prevailing wages and benefits in September 1999, at which time they will become effective. The law does not require the Office of the Attorney General to investigate violations of the wage and benefit chapter.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CLARK	ONTP	

LD 1457 proposed to extend the period of payment for workers' compensation benefits for partial incapacity from 260 weeks to 520 weeks.

**LD 1567**

**An Act to Require the Workers' Compensation Board to Evaluate Rehabilitation in the Workers' Compensation System and to Develop a System for Collecting Rehabilitation Data**

**PUBLIC 649**

<u>Sponsor(s)</u> MILLS	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-519
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LD1567 was carried over from the First Session and proposed to reinstate limited rehabilitation benefits under the Maine Workers' Compensation Act of 1992 for people with long-term disabilities. It proposed to make a rehabilitation evaluation available to an employee whose period of disability is likely to exceed 90 days; require an employer adjudicated as liable for the underlying claim to pay up to two times the state's average weekly wage toward the cost of the evaluation; require the Workers' Compensation Board to act on a rehabilitation application within 30 days; authorize a hearing only if the board finds it necessary to resolve issues not adequately addressed in the written material; authorize the board to order a rehabilitation plan to be implemented immediately; increase the maximum rehabilitation period from 52 weeks to 104 weeks; allow the board to suspend review rights and order total disability benefits for the duration of a rehabilitation plan; and require the board to conduct a hearing to enforce, modify, suspend or terminate a plan when either party is not meeting the plan requirements or when the employer is found not responsible for the disability.

**Committee Amendment "A" (S-519)** proposed to replace the bill. It proposed to require the Workers' Compensation Board to develop a system for collecting data regarding rehabilitation. The amendment also proposed to require the board to report to the joint standing committee of the Legislature having jurisdiction over labor matters by January 15, 1999, with an analysis of the progress made toward developing a data-collection system and an evaluation of the existing rehabilitation program. The amendment also proposed to add a fiscal note to the bill.

***Enacted law summary***

Public Law 1997, chapter 649 requires the Workers' Compensation Board to develop a system for collecting data regarding rehabilitation. It also requires the board to report to the joint standing committee of the Legislature having jurisdiction over labor matters by January 15, 1999, with an analysis of the progress made toward developing the data-collection system and an evaluation of the existing rehabilitation program.

**LD 1708**

**Resolve, Establishing the Commission to Study the Issue of Discrimination against Veterans in Workers' Compensation Cases**

**ONTP**

<u>Sponsor(s)</u> LANE RUHLIN	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1708 proposed to establish the Commission to Study the Issue of Discrimination against Veterans in Workers' Compensation Cases, to examine whether insurance companies discriminate against veterans when processing workers' compensation cases in which the injured worker is a veteran.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCALEVEY	OTP-AM MAJ	S-717 MICHAUD
CAREY	OTP-AM MIN	

LD 1847 proposed to change the cutoff date for qualification for retirement benefits after 20 years of creditable service under the special retirement plan for state police officers from September 1 to September 16, 1984. The purpose of this bill is to give members of the Maine State Police 38th Training Troop the same benefits that were available when applications were being accepted for that class.

#### **Committee Amendment "A " (H-858)**

The majority report of the committee proposed to add an appropriation section and a fiscal note to the bill.

**Senate Amendment "A" (S-512)** proposed to provide that the Maine State Retirement System retirement benefit of Maine State Police Sergeant David McPherson must be calculated under the requirements of the so-called "25/50 special retirement plan" that Sergeant McPherson was covered by when he began law enforcement service as a forest ranger. Although approved in both Houses, this amendment was not adopted.

**Senate Amendment "C" (S-717)** proposed to authorize the creation of the General Fund Service Retirement Benefit Reserve for the purpose of accumulating the funds necessary to pay the full actuarial costs of the change in the retirement plan for the Maine State Police 38th Training Troop. The amendment proposed to divert unappropriated surplus otherwise payable to the Retirement Allowance Fund under the Maine Revised Statutes, Title 5, section 1517 to this reserve fund in an amount up to \$2,820,000 or any greater amount certified by the Maine State Retirement System as the full actuarial cost of this change.

The amendment also established that those retirement plan changes will not take effect unless and until the Legislature takes additional action to direct payment of the full actuarial costs to the Maine State Retirement System. No contractual claim or right or any other claim is created by this law for any state employee.

#### ***Enacted law summary***

Public Law 1997, chapter 740 reopens the closed special retirement plan for state police officers that permitted retirement with full benefits after 20 years of service regardless of age in order to permit members of the 38th training troop to qualify for the "20-year" plan. Currently, that special retirement plan is available only to state police officers hired before September 1, 1984. Troop 38 members were hired on or about September 3, 1984, making them the first training class to miss the eligibility date for the 20 year plan. Apparently, most members of the 38th training troop were unaware of the fact that a law change affecting their eligibility for the special plan had been enacted until they had already committed to entering the training class.



**LD 1910****An Act to Grant the Treasurer of State Full Voting Rights on the Board of Trustees of the Maine State Retirement System****PUBLIC 625**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HATCH	OTP-AM MAJ	H-868
TREAT	ONTP MIN	

LD 1910 proposed to give the Treasurer of State voting rights on the Board of Trustees of the Maine State Retirement System.

**Committee Amendment "A" (H-868)** proposed to increase from four to five the number of trustees on the board necessary to constitute a quorum and the number of votes necessary for the board to conduct business.

***Enacted law summary***

Public Law 1997, chapter 625 gives the Treasurer of State voting rights on the Board of Trustees of the Maine State Retirement System and increases from four to five the number of trustees on the eight-member board that constitutes a quorum and the number of votes necessary for the board to conduct business.

**LD 1936****An Act Regarding Pension Benefits for Former Governors****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MITCHELL E	OTP-AM MAJ	
DAGGETT	ONTP MIN	

LD 1936 proposed to provide a pension benefit to a former Governor or the spouse of a former Governor equal to 3/8 of the current Governor's salary.

**LD 1949****An Act to Allow Maine Technical College System Employees Represented by the Maine Education Association Faculty and Administrative Units to Participate in a Defined Contribution Retirement Plan****PUBLIC 763**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MITCHELL E	OTP-AM	H-1027
CATHCART		S-720 MICHAUD

LD 1949 proposed to authorize the option of participating in a defined contribution retirement plan instead of the Maine State Retirement System for new employees of the Maine Technical College System in the faculty and administrative bargaining units and would provide an opportunity for existing employees in those units to elect to participate in a defined contribution retirement plan to be offered by the Technical College System.

**Committee Amendment "A" (H-1027)** proposed to clarify application of the bill. The amendment proposed to:

1. Establish that the option is a one-time, irrevocable choice for eligible employees and that employees must be members in either the retirement system or the defined contribution plan, but may not be members of both;
2. Prohibit membership in the defined contribution plan from being counted as creditable service under the retirement system;
3. Describe the process for current and future employees to exercise their option;
4. Prescribe the respective responsibilities, if any, for the technical college system and the retirement system for education of employees regarding exercise of their option, recording and reporting the results of employee elections and settling any disputes that may arise;
5. Provide for continued membership in the state group health insurance plan for participants in the defined contribution plan after retirement with the premium costs to be paid by the technical college system;
6. Require the technical college system to provide a disability benefit program for employees who participate in the defined contribution plan;
7. Provide for the payment of the unfunded liability and administrative costs of the retirement system on behalf of technical college system employees who opt out of the retirement system with contributions at the current rate to be made by the technical college system until June 30, 1999. After that date those costs will be absorbed by other state funds; and
8. Add a fiscal note to the bill.

**Senate Amendment "A" to Committee Amendment "A" (S-720)** proposed to require the Maine Technical College System to continue to contribute toward the payment of certain fixed costs of the Maine State Retirement System and the Department of Administrative and Financial Services on behalf of system employees who elect to participate in a defined contribution plan rather than ending those contributions on June 30, 1999.

The amendment also proposed to direct the Department of Administrative and Financial Services, the Maine Technical College System and representatives of the system's bargaining units to work to develop strategies to create funding methods for future collectively bargained salary increases.

#### ***Enacted law summary***

Public Law 1997, chapter 763 establishes an option for Maine Technical College System employees in the faculty and administrative bargaining units to participate in a defined contribution retirement plan offered by the Board of Trustees of the TCS instead of the Maine State Retirement System. Participants in the defined contribution plan are eligible for overage under the state group health insurance plan with premiums to be paid by the technical college system. The technical college system must provide a disability benefit program for employees who participate in the defined contribution plan. The technical college system is also responsible for the payment of fixed costs of the retirement system and the Department of Administrative and Financial Services associated the increase in the unfunded liability of the retirement system and costs of administering this law.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT HATCH	OTP-AM	S-550

LD 1954 proposed to restore the definition of "earnable compensation", the previous higher cap on earnable compensation and the exclusions to income being counted as earnable compensation that were in place prior to the benefit changes in the Maine State Retirement System that were enacted by P.L. 1991, chapter 591 and P.L. 1993, chapter 410.

**Committee Amendment "A" (S-550)** replaced the bill. The amendment proposed to change the title of the bill, add an emergency preamble and emergency clause and make the following technical changes to retirement laws:

1. Repeal the current law that limits to the first five years after termination of service the length of time on which interest is paid on members' contributions to the Maine State Retirement System that are refunded to the member upon termination of membership in the system.
2. Change the date on which the retirement system is required to submit a report to the Joint Standing Committee on Labor from January 15th to March 1st of each year.
3. Expand the potential membership on the Early Retirement Incentives Panel established in the Maine Revised Statutes, Title 5, section 17159, subsection 4 to include any member of the Board of Trustees of the Maine State Retirement System, except members who are active or retired teachers or school administrators.

#### ***Enacted law summary***

Public Law 1997, chapter 651 repeals the current law that limits to the first five years after termination of service the length of time on which interest is paid on members' contributions to the Maine State Retirement System that are refunded to the member upon termination of membership in the system. It also changes the date on which the retirement system is required to submit a report to the Joint Standing Committee on Labor from January 15th to March 1st of each year. Finally, chapter 951 expands the potential membership on the Early Retirement Incentives Panel established in the Maine Revised Statutes, Title 5, section 17159, subsection 4 to include any member of the Board of Trustees of the Maine State Retirement System, except members who are active or retired teachers or school administrators. Public Law 1997, chapter 651 was enacted as an emergency measure with the part of the amendment covering the membership of the Early Retirement Incentives Panel takes effect April 1, 1998 and the other provisions going into effect July 1, 1998.

**LD 1955**

**An Act to Amend the Health Insurance Benefits of State Employees  
and Teachers Who Retire or Terminate Service**

**PUBLIC 652**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CATHCART	OTP-AM MAJ	S-623
HATCH	ONTP MIN	

LD 1955 proposed to restore the normal retirement age for state employees and teachers in the Maine State Retirement System to 60 years of age.

**Committee Amendment "A" (S-623)** was used as a vehicle for one piece of committee's package of retirement changes. This amendment proposed to replace the bill and eliminate the requirement that in all cases state employees and teachers must be enrolled for at least one year immediately before retirement in order to qualify for continued participation in group health insurance coverage after retirement. The amendment proposed to provide a one-time option for state employees and teachers with 25 years of service who terminate employment but do not retire at that time to continue participation in their group health insurance plan until retirement if they pay the cost of that coverage. Regardless of whether that option is exercised, under the amendment, a state employee or teacher with 25 years of service who retires following a break in employment would be able to choose to rejoin the group health insurance plan at retirement.

***Enacted law summary***

Public Law 1997, chapter 652 provides an option for state employees and teachers with 25 years of service who terminate covered employment but do not retire at that time to continue participation in the state or teacher group health plan if they pay the cost of that coverage. Regardless of whether that option is exercised, state employees or teachers with 25 years of creditable service who retire following a break in service may choose to rejoin their group health plan at retirement.

**LD 1956**

**An Act to Extend the Prevailing Wage Laws to the Maine Turnpike  
Authority**

**PUBLIC 743**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CATHCART	OTP-AM MAJ	S-463
	ONTP MIN	

LD 1956 proposed to require that all workers engaged in construction projects for the Maine Turnpike Authority be paid no less than the prevailing wage, which is determined by the hourly wage paid to the median number of workers employed in the construction industry on the second and third weeks in September of each year.

**Committee Amendment "A" (S-463)** was the majority report of the Joint Standing Committee on Labor. It proposed to reorder the reference to the Maine Turnpike Authority and to add a fiscal note to the bill.

***Enacted law summary***

Public Law 1997, chapter 743 requires all workers engaged in construction projects for the Maine Turnpike Authority to be paid no less than the prevailing wage, which is determined by the hourly wage paid to the median number of workers employed in the construction industry on the second and third weeks in September of each year.

**LD 1962                      An Act to Apply ERISA Standards to Pension Benefits for Teachers and State Employees to Clarify that They Are Nonforfeitable Once Accrued                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	ONTP      MAJ OTP-AM      MIN	

LD 1962 proposed to prohibit the reduction of benefits under the Maine State Retirement System once an employee has accrued the minimum creditable service requirements for receipt of retirement benefits.

**Committee Amendment "A" (S-611)** which was not adopted, replaced and clarified the intent of the bill. The amendment proposed to establish in statute that the retirement benefits of state employees, teachers and judges under the Maine State Retirement System represent a solemn contractual commitment of the State the value of which may not be reduced once those benefits are earned. This amendment was intended to specifically supplant, with respect to the accrued retirement benefits of retirement system members, the holding of the United States Court of Appeals for the First Circuit in *Parker v. Wakelin et al.*, (CA 1, No. 96-2225, 8/11/97). In that case, the court held that Maine public pension law creates no enforceable private contractual right against the modification of teacher members' retirement benefits until those benefits are actually receivable. Under this amendment, public employee retirement benefits, once earned, may not be reduced because the accrued value of those benefits is protected under the contract clauses of the Constitution of Maine and the United States Constitution. See also LD 999, which proposed constitutional protection for public pension benefits.

**LD 1964                      Resolve, to Ensure that Services for the Deaf and Hard of Hearing Are Provided in an Efficient, Accessible and Cost-effective Manner                      RESOLVE 90 EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT	OTP-AM	S-460

LD 1964 proposed to direct the Commissioner of Labor to assess the mission and services of the Division of Deafness within the Bureau of Rehabilitation Services, Department of Labor. The resolve also proposed to require the Commissioner, in consultation with a subcommittee comprised of the Joint Standing Committee on Labor, the Deaf Advisory Council and other interested parties, to make recommendations by September 15, 1998, regarding any proposed structural, statutory or funding changes. The resolve proposed to authorize the Joint Standing Committee on Labor to report out implementing legislation to the First Regular Session of the 119th Legislature.

**Committee Amendment "A" (S-460)** proposed to eliminate the formation of an official subcommittee and to add the Governor Baxter School for the Deaf and all affected agencies, including the Department of Corrections, the Department of Education, the Department of Human Services, the Department of Mental Health, Mental Retardation and Substance Abuse Services, the Department of Public Safety, the Department of Transportation, the

Maine Emergency Management Agency, the Maine Turnpike Authority and the Public Utilities Commission, to the list of entities with which the Commissioner of Labor must consult when making recommendations regarding the Division of Deafness. The amendment also proposed to add a fiscal note to the bill.

**Enacted law summary**

Resolve 1997, chapter 90 directs the Commissioner of Labor to assess the mission and services of the Division of Deafness within the Bureau of Rehabilitation Services, Department of Labor. The resolve requires the Commissioner, in consultation with the Joint Standing Committee on Labor, the Deaf Advisory Council, the Governor Baxter School for the Deaf, all affected agencies, including the Department of Corrections, the Department of Education, the Department of Human Services, the Department of Mental Health, Mental Retardation and Substance Abuse Services, the Department of Public Safety, the Department of Transportation, the Maine Emergency Management Agency, the Maine Turnpike Authority and the Public Utilities Commission, and other interested parties, to make recommendations by September 15, 1998, regarding any proposed structural, statutory or funding changes. The resolve also authorizes the Joint Standing Committee on Labor to report out implementing legislation to the First Regular Session of the 119th Legislature. Resolve 1997, chapter 90 was passed as an emergency measure effective March 12, 1998.

LD 1977

An Act to Revise the Hazardous Occupations Provisions of the Child Labor Laws

PUBLIC 597

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HATCH	OTP-AM	H-813

LD 1977 proposed to strike the current list of occupations considered hazardous to minors and to require the Director of the Bureau of Labor Standards to develop, by rule, a list of occupations not suitable for minors. The bill also proposed to prohibit minors under 18 years of age from working in the occupations specified by the Director. The bill proposed to make the rules routine technical and to require them to conform as far as practicable to the child labor provisions enforced by the United States Department of Labor.

**Committee Amendment "A" (H-813)** proposed to require the Director of the Bureau of Labor Standards to brief the joint standing committee of the Legislature having jurisdiction over labor matters on the proposed rules regarding hazardous occupations for minors, prior to adopting the rules. The amendment also proposed to add a fiscal note to the bill.

**Enacted law summary**

Public Law 1997, chapter 597 strikes the current list of occupations considered hazardous to minors and requires the Director of the Bureau of Labor Standards to develop, by rule, a list of occupations not suitable for minors. It prohibits minors under 18 years of age from working in the occupations specified by the Director. The law states that the rules are routine technical and requires the rules to conform as far as practicable to the child labor provisions enforced by the United States Department of Labor. The law also requires the Director to brief the joint standing committee of the Legislature having jurisdiction over labor matters on the proposed rules prior to their adoption.

**LD 1994****An Act to Establish a Migrant and Immigrant Worker Assistance  
Office in Central Maine****PUBLIC 620**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LEMAIRE	OTP-AM MAJ	H-869
RAND	ONTP MIN	

LD 1994 proposed to require the Bureau of Labor Standards, within the Department of Labor, to establish and fund a migrant and immigrant worker outreach project to assist migrant and immigrant workers in understanding and exercising their employment rights and responsibilities.

**Committee Amendment "A" (H-869)** was the majority report of the Joint Standing Committee on Labor, and it proposed to replace the bill and change the title. The amendment proposed to require the Department of Labor, rather than the Bureau of Labor Standards, to establish a migrant and immigrant worker assistance outreach project to the extent possible within existing resources and to report back to the joint standing committee of the Legislature having jurisdiction over labor matters by January 2, 1999, with an evaluation of the project. The amendment also proposed to add a fiscal note to the bill.

***Enacted law summary***

Public Law 1997, chapter 620 requires the Department of Labor, to the extent possible within existing resources, to establish a migrant and immigrant worker outreach project to assist migrant and immigrant workers in understanding and exercising their employment rights and responsibilities. The law also requires the Department of Labor to report to the joint standing committee of the Legislature having jurisdiction over labor matters by January 2, 1999, with an evaluation of the project.

**LD 1997****An Act to Expand Access to Employment Security Data to  
Authorized Agents of Child Support Enforcement Agencies****PUBLIC 687**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PENDLETON R CATHCART	OTP	

LD 1997 proposed to bring Maine's unemployment compensation law in to conformity with the federal welfare reform act, Public Law 104-193, by granting access to employment security records to child support enforcement agencies and their authorized agents, as well as to agencies (and their agents) under contract with the state employment and job training agency. The bill also proposed to make it a Class E crime for any of those agencies or agents to make an unauthorized disclosure of confidential information contained in employment security records.

***Enacted law summary***

Public Law 1997, chapter 687 brings Maine's unemployment compensation law into conformity with the federal welfare reform act, Public Law 104-193, by granting access to employment security records to child support enforcement agencies and their authorized agents, as well as to agencies (and their agents) under contract with the

state employment and job training agency. The bill also makes it a Class E crime for any of those agencies or agents to make an unauthorized disclosure of confidential information contained in employment security records.

**LD 1999                      An Act Requiring the State to Pay a Portion of the Health Insurance                      ONTP**  
**Premium for Dependents of Retired State Employees**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RINES	ONTP	

LD 1999 proposed to require the State to pay 60 percent of the health insurance premium for dependent coverage for retired state employees.

**LD 2007                      An Act to Establish the Administrative Operating Budget for the                      P & S 73**  
**Maine State Retirement System for the Fiscal Year Ending June 30,                      EMERGENCY**  
**1999**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP	H-870

LD 2007 proposed the annual operating budget of the Maine State Retirement System for fiscal year 1998-99. The retirement system is required by law to present its annual operating budget to the Legislature for approval. The bill identified the retirement system's personal services costs and its costs for all other operating expenses. The bill also attributed the expenses of the system among General Fund, Non-General Fund and Participating Local District accounts.

**Committee Amendment "A" (H-870)** proposed to add a fiscal note to the bill.

***Enacted law summary***

Private and Special Law 1997, chapter 73 is the Maine State Retirement System's annual operating budget for the 1998-99 fiscal year. Legislative approval of the annual budget is required by law. P & S Law chapter 73 was enacted as an emergency measure effective July 1, 1998.

**LD 2096                      An Act to Give Collective Bargaining Rights to Legislative                      PUBLIC 741**  
**Employees**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LINDAHL	OTP-AM    MAJ	H-950   HATCH
	ONTP       MIN	H-1166   HATCH

LD 2096 proposed to amend the State Employees Labor Relations Act by authorizing legislative employees to collectively bargain regarding all matters relating to the relationship between the Legislature and its employees. The bill proposed to exclude from the definition of legislative employee any employee who:



1. Is elected by popular vote;
2. Is appointed to office pursuant to law by the Governor or the Legislature;
3. Is employed in the office of the Secretary of the Senate, the Clerk of the House of Representatives or the majority or minority offices of the Senate or the House of Representatives;
4. Has duties as a deputy, administrative assistant or secretary that necessarily imply a confidential relationship regarding matters subject to collective bargaining, as between that person and the Legislative Council;
5. Is a temporary, on-call employee; or
6. Has been employed less than 30 days.

**House Amendment "C" (H-950)** proposed to exclude from the definition of legislative employee those employees in the office of the President of the Senate and the office of the Speaker of the House. The amendment proposed to make a technical correction and to state that no expenses may be incurred in carrying out the purposes of the bill unless the legislative employees decide to collectively bargain. The amendment also proposed to add an appropriation and a fiscal note to the bill.

**House Amendment "A" to House Amendment "C" (H-1166)** proposed to make the bill effective on July 1, 1999, and to remove the 1998-99 appropriation.

#### ***Enacted law summary***

Public Law 1997, chapter 741 amends the State Employees Labor Relations Act by authorizing legislative employees to collectively bargain regarding all matters relating to the relationship between the Legislature and its employees. The law excludes from the definition of legislative employee any employee who:

1. Is elected by popular vote;
2. Is appointed to office pursuant to law by the Governor or the Legislature;
3. Is employed in the office of the President of the Senate, the Speaker of the House, the Secretary of the Senate, the Clerk of the House of Representatives or the majority or minority offices of the Senate or the House of Representatives;
4. Has duties as a deputy, administrative assistant or secretary that necessarily imply a confidential relationship regarding matters subject to collective bargaining, as between that person and the Legislative Council;
5. Is a temporary, on-call employee; or
6. Has been employed less than 30 days.

The law takes effect July 1, 1999 and prohibits the expenditure of any money unless the legislative employees elect to collectively bargain.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CLEVELAND	OTP-AM MAJ	S-518
	ONTP MIN	S-627 CLEVELAND
		S-731 MICHAUD

LD 2116 proposed to prohibit an employer from requiring an employee to work more than 32 hours of overtime in a calendar week or to work overtime on more than 6 days in a calendar week. The bill proposed to define “employee” to exclude seasonal employees, and it proposed to define “overtime” as anything over eight hours in a day or 40 hours in a calendar week.

**Committee Amendment "A" (S-518)** was the majority report of the Joint Standing Committee on Labor and proposed to replace the bill. The amendment proposed to prohibit an employer from requiring an employee to work more than 96 hours of overtime in any consecutive three-week period. The amendment proposed to define "overtime" as anything over 40 hours in a calendar week. The amendment proposed to create exceptions for work performed in response to a declared emergency, employees who perform essential services for the public, employees whose work is necessary for the public health or safety and individuals exempt from the definition of employee in Maine Revised Statutes, Title 26, section 663, which includes employees of seasonal employers. The amendment also proposed to add an appropriation and a fiscal note to the bill.

**Senate Amendment "B" to Committee Amendment "A" (S-627)** proposed to exclude employees of seasonal employers from the limitation on mandatory overtime. The amendment proposed to define “seasonal employer” as an employer in an industry that operates in a regularly recurring period or periods of less than 26 weeks in a calendar year.

The amendment also proposed to provide temporary relief from the mandatory overtime limit in emergency situations by allowing an employer to apply to the Commissioner of Labor for an emergency waiver. The amendment proposed to permit the commissioner to grant the waiver if unforeseen or uncontrollable events occurred that, without the waiver, would result in significant adverse harm to the employer's business and if the commissioner determined that the waiver was not sought to abuse the limits on mandatory overtime. The amendment proposed to require the commissioner to determine the duration of the waiver, up to a maximum of three weeks. The amendment proposed to require the commissioner to send a written notice of the waiver, including findings of fact and the dates for which the waiver is in effect, to an employer whose waiver has been granted. The amendment also proposed to require the employer to immediately post the notice in the same place and manner as other employment-related notices are required to be posted.

**Senate Amendment "C" to Committee Amendment "A" (S-731)** proposed to strike the General Fund appropriation for the Department of Labor.

**LD 2121**

**An Act to Repeal Certain Changes Made to State Employee and Teacher Retirement Benefits**

**DIED ON  
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY D	OTP-AM      MAJ ONTP      MIN	H-1054

LD 2121 proposed to repeal the 1.15 percent increase in employee contributions and reinstate the cost-of-living adjustment for retirement system members retiring before normal retirement age which were enacted in 1993.

**Committee Amendment "A" (H-1054)** proposed to strike from the bill the section that reinstates the cost-of-living adjustment of Maine State Retirement System members retiring before normal retirement age and to retain the provisions of the bill that restore the contribution level required of members to the pre-1993 rate and makes the change effective January 1, 1999. The amendment also adds an appropriation, an allocation and a fiscal note to the bill. The amended bill died on the Appropriations Table.

**LD 2125**

**An Act to Improve Public Sector Labor Relations**

**PUBLIC 773**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HATCH	OTP-AM	H-937 S-569   MILLS S-776   MICHAUD

LD 2125 proposed to amend the Municipal, State and Judicial Employees Labor Relations Acts by stating that the terms of an expired contract between a public employer and a bargaining agent remain in effect until the parties agree upon a new contract.

**Committee Amendment "A" (H-937)** proposed to replace the bill and to require the grievance arbitration provisions of an expired contract to remain in effect until the parties execute a new contract. The amendment proposed to specify that the bill applies to all contracts that expire on or after August 1, 1998. The amendment also proposed to add a fiscal note to the bill.

**Senate Amendment "A" to Committee Amendment "A" (S-569)** proposed to specify that the grievance arbitration provisions of expired contracts that must remain in effect until the parties execute a new contract are only those that pertain to disciplinary action.

**Senate Amendment "D" to Committee Amendment "A" (S-776)** proposed to remove persons who are employed by a person who has contracted to perform services for the Bureau of Revenue Services from the definition of persons who are not state employees for the purpose of the State Employees Labor Relations Act, effective retroactively to April 2, 1998. The amendment also proposed to add a mandate preamble and a fiscal note to the bill.

### ***Enacted law summary***

Public Law 1997, chapter 773 amends the Municipal, State and Judicial Employees Labor Relations Acts by stating that, when a contract between a public employer and a bargaining agent expires, the grievance arbitration provisions of the expired contract that pertain to disciplinary action remain in effect until the parties agree upon a new contract. The law also amends the State Employees Labor Relations Act by eliminating from the definition of state employee a person employed by a person who has contracted to perform services for the Bureau of Revenue Services.

**LD 2135**

**An Act to Establish a Uniform Special Retirement Plan for State Law Enforcement Personnel, Maine State Prison Personnel, Emergency Personnel, Other Employee Groups That, Prior to September 1, 1984, Had Special Retirement Plans and Certain Emergency Personnel and to Revise the Restoration to Service Requirements**

**PUBLIC 769  
EMERGENCY**

Sponsor(s)  
SKOGLUND  
PINGREE

Committee Report  
OTP-AM

Amendments Adopted  
H-1118

LD 2135 proposed to establish a uniform special retirement plan for state police officers, game wardens, Marine Patrol officers and employees of correctional facilities who have contact with prisoners. Full service retirement benefits would be available to employees in these positions after completing 20 years of service and reaching age 50.

**Committee Amendment "A" (H-1118)** replaced the bill. The amendment proposed to establish a uniform special retirement plan for marine patrol officers, game wardens, forest rangers, state police, Maine State Prison employees having direct prisoner contact, state airplane pilots, liquor inspectors and firefighters at the Bangor International Airport. With the exception of the firefighters, all these categories of employees were eligible before 1984 for some type of special retirement plan that provided for early retirement with full benefits based on a requirement for years of service that was less than the regular retirement plan for state employees and teachers. In 1984, the special plans for state police and prison guards were modified; and all the others were eliminated. The result has been different treatment for employees in different categories of employment and within the same category depending on date of hire.

The uniform special retirement plan, called the 1998 Special Plan, proposed in this amendment is patterned on the regular retirement plan for state employees and teachers. Under the special plan, the retirement benefit is computed based on the member's average final compensation and years of service and members qualify for a service retirement benefit at normal retirement age after 10 years of service as under the regular plan. The normal retirement age under the special plan is 55, as compared to 60 or 62 under the regular plan. Members of the special plan may retire before normal retirement age with a reduction in benefits as under the regular plan.

As proposed in the amendment beginning June 30, 1998, all the eligible employees would be covered by the special retirement plan provided in this amendment. Provisions are made for the incorporation into the new plan of members who have service under current plans. Members with service under both the special plan established in

this amendment and under other plans administered by the Maine State Retirement System will receive a split retirement benefit with the amount prorated based on service under each plan.

The amendment proposed to amend existing law governing transfer from special plans to the regular retirement plan to account for the existence of the 1998 Special Plan. The amendment also proposed to amend the restoration to service provisions of existing law to reduce the penalty for returning to covered service. Finally, the amendment proposed to add a new title, an emergency preamble and emergency clause and a fiscal note.

### ***Enacted law summary***

Public Law 1997, chapter 769 establishes a uniform special retirement plan for marine patrol officers, game wardens, forest rangers, state police, Maine State Prison employees having direct prisoner contact, state airplane pilots, liquor inspectors and firefighters at the Bangor International Airport.

The uniform special retirement plan is patterned on the regular retirement plan for state employees and teachers. Under the special plan, the retirement benefit is computed based on the member's average final compensation and years of service and members qualify for a service retirement benefit at normal retirement age after 10 years of service as under the regular plan. The normal retirement age under the special plan is 55, as compared to 60 or 62 under the regular plan. Members of the special plan may retire before normal retirement age with a reduction in benefits as under the regular plan.

After June 30, 1998, all the eligible employees will be covered by the special retirement plan. Provisions are made for the incorporation into the new plan of members who have service under current plans. Members with service under both the special plan established in this law and under other plans administered by the Maine State Retirement System will receive a split retirement benefit with the amount prorated based on service under each plan.

The law amends existing law governing transfer from special plans to the regular retirement plan to account for the existence of the 1998 Special Plan. The law also amends the restoration to service provisions of existing law to reduce the penalty for returning to covered service. Public Law 1997, chapter 769 was enacted as an emergency measure effective July 1, 1998, except that the section dealing with restoration to service is effective January 1, 1999.

**LD 2146**

### **An Act to Amend the Laws Concerning Participating Local Districts in the Maine State Retirement System**

**PUBLIC 709**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HATCH	OTP-AM MAJ OTP-AM MIN	H-1009

LD 2146 was a proposal by the Participating Local District Advisory Committee of the Maine State Retirement System. The bill proposed to establish guidelines and procedures under which employees of participating local districts that do not have Social Security section 218 agreements would be able to choose to be covered by a defined contribution or a deferred compensation plan instead of the retirement system's PLD plan, provided by the PLD offers such an alternative plan or plans.

**Committee Amendment "A" (H-1009)** proposed to make several technical changes in the bill that were recommended by the Participating Local District Advisory Committee regarding the election of PLD employees to participate in a defined contribution or deferred contribution plan. The amendment proposed to revise the requirements for a disability benefit program that the employer is required to offer and clarified that the employer is required to pay the cost of the disability plan. The amendment also added a fiscal note to the bill.

***Enacted law summary***

Public Law 1997, chapter 709 authorizes participating local districts that do not have Social Security section 218 agreements to offer defined contribution or deferred compensation retirement plans to their employees, establishes the procedures by which employees will exercise their option to participate in those plans and establishes the requirements for such plans. A PLD must provide a disability benefit plan for employees who participate in the defined contribution or deferred compensation plan.

**LD 2186                      An Act to Create the Maine Temporary Disability Benefits Law                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAMERON	ONTP	

LD 2186 proposed to establish, effective October 1, 1999, a temporary disability benefits plan administered by the Bureau of Unemployment Compensation in the Department of Labor. The bill proposed to provide temporary benefits to persons unable to work because of an illness or injury that is not compensable under the workers' compensation laws. The bill also proposed to require the Bureau of Unemployment Compensation to recommend levels for employer and employee contributions to the State Temporary Disability Fund.

**LD 2201                      An Act to Clarify the Responsibilities of Certain Divisions in the Department of Labor                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DONNELLY PARADIS	ONTP	

LD 2201 proposed to clarify the operation of the preference currently given to blind persons in the establishment and operation of vending facilities and the placement of vending machines. The bill proposed to define "preference" as the final determining factor when all other competitive factors are equal and to clarify that the preference applies to newly constructed, remodeled, leased, acquired or improved public property. The bill also proposed to require vending facilities installed by the Division for the Blind and Visually Impaired to be operated by a "manager", currently defined as the blind person licensed by the Division for the Blind and Visually Impaired who personally operates a vending facility.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM      MAJ	H-1101
	OTP-AM      MIN	S-771   CLEVELAND

LD 2230 proposed to implement the majority report recommendations of the Commission to Study the Unemployment Compensation System. Specifically, it proposed to do the following:

1. State the Legislature's intent to maintain a certain level of reserves in the Unemployment Compensation Fund.
2. Replace the existing experience rating system for assigning tax rates to employers with an "array contribution" system.
3. Generate enough additional revenue that, by the year 2003, there will be 12 months of reserves in the Unemployment Compensation Fund, based on the average of the three most expensive benefit years in the past 20 years.
4. Raise the taxable wage base from \$7,000 to \$12,000.
5. Impose an employee tax of 0.2 percent per year on the first \$12,000 of wages, for the five years from 1999 through 2003.
6. Maintain the current six percent reduction in maximum weekly benefits until December 27, 2003.
7. Authorize benefits for claimants who seek part-time work and are willing to work at least enough hours to earn \$5 more than their weekly benefit amount.
8. Eliminate the seasonality provision.
9. Dedicate \$10,000,000 in cigarette tax relief money to the Unemployment Compensation Fund for each of the five years from 1999 through 2003.
10. Require the Department of Labor to collect data on claimants who seek part-time work, have child care problems or have transportation problems.
11. Require the Department of Labor to report on the changes implemented by this bill no later than January 31, 2003.

**Committee Amendment "A" (H-1100)** was the majority report of the Joint Standing Committee on Labor and was not enacted. It proposed to strike the provisions in the bill regarding cigarette tax relief money, data collection and reporting, seasonality, eligibility for benefits when seeking part-time work, the employee tax and minimum reserves in the Unemployment Compensation Fund.

The amendment also proposed to do the following.

1. Change benefit amounts to 1/22 of the average of the claimant's wages in the two quarters of the base period in which the claimant earned the highest wages. Current law pays benefits equal to 1/22 of the claimant's wages in the single highest quarter of the base period.
2. Cap maximum benefit amounts at 50.5 percent of the annual average weekly wage, rather than the current 52 percent.
3. Extend the six percent reduction in maximum benefit amounts through December 31, 1998. The reduction currently sunsets on September 26, 1998.
4. Create an "array contribution" experience rating system that generates the same amount of unemployment tax revenue that will be generated in 1998, which is approximately \$111,000,000. The amendment proposed to prohibit an increase in tax revenues until the Legislature takes affirmative action to do so. Additionally, the amendment proposed to adjust tax rates in the amended array system so that changes in individual employers' tax rates would not be as dramatic as some would be under the array system proposed in the bill.

The amendment also proposed structural changes to the unemployment program, to improve the state's ability to address solvency issues in the future. The amendment proposed tax revenues and benefit cuts approximately the same in total dollar value as those under current law, which are, until the end of 1998, a 0.4 percent surtax, Schedule P tax rates, (the highest permissible rates) a six percent reduction in maximum benefits and a \$3 reduction in all benefits.

**Committee Amendment "B" (H-1101)** was the minority report of the Joint Standing Committee on Labor and proposed to replace the bill. The amendment proposed to maintain through December 31, 1999, the solvency measures that will sunset by the end of 1998: a 0.4 percent surtax; Schedule P tax rates, the highest permissible rates; a 6 percent reduction in maximum benefit amounts; and a \$3 reduction in all benefit amounts.

The amendment also proposed to require the Department of Labor to conduct public hearings across the State to inform the public of and to solicit comments on the condition of the Unemployment Compensation Fund. The amendment proposed to require the department to report to the First Regular Session of the 119th Legislature by January 1, 1999, with recommendations for ensuring the long-term solvency of the fund. The amendment also proposed to add an appropriation, an allocation and a fiscal note to the bill.

**Senate Amendment "C" to Committee Amendment "B" (S-771)** proposed to strike the requirement that the Department of Labor hold public hearings on the condition of the Unemployment Compensation Fund. The amendment also proposed to revise the reporting requirement by requiring the department to develop a solvency plan to ensure the long-term solvency of the Unemployment Compensation Fund. The amendment proposed to require the department to consider the following factors in developing the solvency plan:

1. Equitable tax structures, including the array system;
2. Adjustments to the taxable wage base;
3. A recommended target for reserve levels in the Unemployment Compensation Fund;
4. A schedule within which the solvency plan will be achieved;



5. Other revenue sources for solvency;
6. Benefit structures consistent with the purpose of the unemployment insurance program; and
7. The administration of the Unemployment Compensation Fund.

The amendment also proposed to require the department to include a detailed report of the basis upon which the evaluation was performed, including the projected impacts of the solvency plan, both during and after the life of the plan. Finally, the amendment proposed to strike the appropriation section.

#### ***Enacted law summary***

Public Law 1997, chapter 745 maintains through December 31, 1999, the current solvency measures that were scheduled to sunset by the end of 1998: a 0.4 percent surtax; Schedule P tax rates, the highest permissible rates; a six percent reduction in maximum benefit amounts; and a \$3 reduction in all benefit amounts.

The law also requires the Department of Labor to report to the 119th Legislature by January 1, 1999, with legislation to implement a solvency plan designed to ensure the long-term solvency of the Unemployment Compensation Fund. The department must evaluate the following factors when developing the solvency plan:

1. Equitable tax structures, including the array system;
2. Adjustments to the taxable wage base;
3. A recommended target for reserve levels in the Unemployment Compensation Fund;
4. A schedule within which the solvency plan will be achieved;
5. Other revenue sources for solvency;
6. Benefit structures consistent with the purpose of the unemployment insurance program; and
7. The administration of the Unemployment Compensation Fund.

The department must provide a detailed report of the basis upon which it performed the evaluation, including the projected impacts of the solvency plan, both during and after the life of the plan.

**LD 2231**

**An Act to Implement the Minority Report Recommendations of the  
Commission to Study the Unemployment Compensation System**

**ONTP**

Sponsor(s)

Committee Report  
ONTP

Amendments Adopted

LD 2231 proposed to implement the minority recommendations of the Commission to Study the Unemployment Compensation System. The bill proposed to do the following:

1. Raise the taxable wage base from \$7,000 to \$9,000.
2. Replace the existing experience rating system for assigning tax rates to employers with an “array contribution” system.
3. Generate enough additional revenue that, by the year 2005, there will be approximately six months of reserves in the Unemployment Compensation Fund, based on the average of the three most expensive benefit years in the past 20 years.
4. Change the weekly benefit formula from 1/22 to 1/26 of high quarter earnings.
5. Reduce the maximum weekly benefit from 52 percent to 48 percent of the average weekly wage.

<b>LD 2266</b>	<b>An Act to Implement the Recommendations of the Commission to Study the Funding and Distribution of Teletypewriters and Other Telecommunications Equipment for People with Disabilities</b>	<b>PUBLIC 751 EMERGENCY</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-572 S-744 MICHAUD
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LD 2266 proposed to implement the recommendations of the Commission to Study the Funding and Distribution of Teletypewriters and Other Telecommunications Equipment for People with Disabilities.

Part A proposed to amend the statutory provisions in Maine Revised Statutes, Title 26, section 1419-A, governing the telecommunications equipment plan and the Telecommunications Equipment Fund, to include other specialized customer telecommunications equipment besides teletypewriters and to expand eligibility for assistance to persons with disabilities. Part A proposed to require the telecommunications equipment plan to ensure that eligible persons have access to telecommunications equipment appropriate to their individual needs. Part A also proposed an additional \$85,000 appropriation from the General Fund for the Telecommunications Equipment Fund.

Part B proposed to amend the enabling legislation of the Commission to Study the Funding and Distribution of Teletypewriters and Other Telecommunications Equipment for People with Disabilities to allow the commission to continue its study after the adjournment of the Second Regular Session of the 118th Legislature and to submit a final report by November 30, 1998.

Part C proposed to require the Division of Deafness within the Bureau of Rehabilitation Services in the Department of Labor and the Telecommunications Relay Services Advisory Council, in consultation with a telephone association in this state, to develop recommendations and a comprehensive plan for a request-for-proposal process to provide direct access to telephone networks for deaf, hard-of-hearing, speech-impaired and disabled persons.

**Committee Amendment "A" (S-572)** proposed to specify that the Commission to Study the Funding and Distribution of Teletypewriters and Other Telecommunications Equipment for People with Disabilities could hold two additional meetings to further its study. The amendment proposed to authorize the commission to report out legislation, and it proposed to require the commission to report to the First Regular Session of the 119th Legislature by January 15, 1999.

The amendment also proposed to require the Division of Deafness to consult with the Commission to Study the Funding and Distribution of Teletypewriters and Other Telecommunications Equipment for People with Disabilities and with other advisory councils representing the interests of persons with disabilities when developing its comprehensive plan for providing direct access to specialized customer telecommunications equipment. The amendment proposed to specify that Division of Deafness must report to the First Regular Session of the 119th Legislature by January 15, 1999. The amendment also proposed to add a fiscal note to the bill.

**Senate Amendment "A" to Committee Amendment "A" (S-744)** proposed to require the Public Utilities Commission to levy an assessment on telephone companies to provide funding for the Telecommunications Equipment Fund. This amendment also proposed to delete the General Fund appropriation for the Department of Labor, provide an Other Special Revenue allocation for the Department of Labor, and reduce the General Fund appropriation to the Legislature. The amendment also proposed to reduce to one the number of authorized meetings for the Commission to Study the Funding and Distribution of Teletypewriters and Other Telecommunications Equipment for People with Disabilities.

#### ***Enacted law summary***

Public Law 1997, chapter 751 implements the recommendations of the Commission to Study the Funding and Distribution of Teletypewriters and Other Telecommunications Equipment for People with Disabilities.

Part A amends the statutory provisions in Maine Revised Statutes, Title 26, section 1419-A, governing the telecommunications equipment plan and the Telecommunications Equipment Fund, to include other specialized customer telecommunications equipment besides teletypewriters and to expand eligibility for assistance to persons with disabilities. Part A requires the telecommunications equipment plan to ensure that eligible persons have access to telecommunications equipment appropriate to their individual needs. Part A creates an Other Special Revenue allocation of \$85,000 for the Telecommunications Equipment Fund and requires the Public Utilities Commission to levy an assessment on telephone companies to provide further funding for the Telecommunications Equipment Fund.

Part B amends the enabling legislation of the Commission to Study the Funding and Distribution of Teletypewriters and Other Telecommunications Equipment for People with Disabilities to allow the commission to conduct one additional meeting after the Second Regular Session of the 118th Legislature adjourns. Part B also requires the commission to submit a final report to the First Regular Session of the 119th Legislature by January 15, 1999.

Part C requires the Division of Deafness within the Bureau of Rehabilitation Services in the Department of Labor and the Telecommunications Relay Services Advisory Council, in consultation with a telephone association in this state, the Commission to Study the Funding and Distribution of Teletypewriters and Other Telecommunications Equipment for People with Disabilities and other advisory councils representing the interests of persons with disabilities, to develop recommendations and a comprehensive plan for a request-for-proposal process to provide direct access to telephone networks for deaf, hard-of-hearing, speech-impaired and disabled persons. The Division of Deafness must present the plan to the First Regular Session of the 119th Legislature by January 15, 1999.

Public Law 1997, chapter 751 was enacted as an emergency measure effective April 15, 1998.

**LD 2274**

**An Act to Permit Employees to Resume Receiving Unemployment  
Benefits in Certain Cases**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TUTTLE CATHCART	ONTP	

LD 2274 proposed to prohibit a person from being disqualified from receiving unemployment benefits if the person left employment within five weeks after beginning that employment.